

Tax Increment Financing (TIF) District Advisory Board

6.21.07 Meeting minutes

Town Hall Board of Selectmen's meeting room

Present:

Jim Dannis	Al Hicks
George Infanti	John McCormack
Mel Reeve	Dave Roedel
Mike Trajano	Tom Wilson

Bill Parker, Director Community Development/TIF Administrator

Shirley Wilson, Recording Secretary

John McCormack opened the meeting at 7:30AM.

1. REVIEW OF AGENDA:

J. McCormack reviewed the agenda with no additions from the Board.

2. WEST MILFORD DEVELOPMENT POTENTIAL-GRUBB & ELLIS/COLDSTREAM R. E.

J. McCormack updated the Board on the initial meeting with Grubb & Ellis/Coldstream Real Estate Advisors and then introduced James DeStefano, Vice-president of Sales and Marketing, Jacob Akers, Advisor and Justin Bielagus, Principal of Grubb & Ellis/Coldstream Real Estate Advisors, Inc.

PRESENTATION

J. DeStefano explained that Coldstream Real Estate Advisors is an affiliate of Grubb & Ellis, a national firm with over 8,000 employees in North America and Europe. Coldstream is an entirely commercial real estate service company with two offices in New Hampshire and fourteen brokers in the field. J.

DeStefano then distributed copies of the proposal and gave an overview to the Board.

- Bringing the property to the market
- Summary of the proposal
- Information on the TIF District
- Preliminary recommendations and marketing plan
- Collateral information
- Snapshot of NH industry

J. Akers, an advisor with Coldstream and also Milford resident, presented the preliminary recommendations and the areas of focus for the TIF District

1. **Expansion of the TIF District;** *to include other properties in the ICI-2 zone such as those on: Meadowbrook Dr, Savage Rd, Jones Rd and other properties which would bring more interest, and in turn, more funding for bonding.*
2. **Land Use/Conceptual Engineering;**
 - *Possible land use analysis done by an outside engineering firm such as TF Moran*
 - *Conceptual road and infrastructure network plans.*
3. **Accessibility;** *prioritize the emphasis of access to 101 by bringing in local and state politicians to address the issues at state level.*
4. **Bonding/financing; obtain approval of \$2.6 mil for the Phase I infrastructure costs;**
5. **Marketing;**
 - *Public education through town functions at local businesses to promote what is being done;*

J. DeStefano added that community forums could be held at Giorgio's or Hampshire Hills to build more recognition locally; one never knows where the ripples go. J. McCormack noted that Board is always looking for good ideas on how to get people more involved.

- *Series of letters and articles in local papers to describe, in layman's terms, how more industry will benefit the town;*
- *Utilizing other media sources like NH Business Review;*
J. DeStefano added that the selling agent will need to be a huge cheerleader to get Milford on the map with developers and legislative officials to build recognition. An example would be to put a series of articles in the new real estate section of the Saturday Union Leader to get statewide exposure.
- *Developing a website;*
J. DeStefano said this project would be worthy of inclusion on their home website, www.coldstreamre.com, so that all information a developer needed would be contained in one area on the net.
- *Logging the property for income to offset Phase I or II;*
J. DeStefano noted that there is value from both an economical and visual standpoint. If the timbering is done right, selective cutting can increase the value of the land and opening up the tree line along Rte 101 could visually enhance the property.
- *Establishing an ambassador group;*
The group could be comprised of people in the community who would play the ambassador role; business leaders from Hitchiner Mfg, Alene Candles, etc who could help sell the area.

6. Actions to complete;

Execution of the listing agreement

Land use analysis

DOT analysis & pursuit of Rte 101 egress

Bond financing for approval of Phase I

TIF District expansion

Logging the property

Infrastructure implementation

Website development

Create ambassador group

Full marketing launch

J. DeStefano said that they were presenting a broad and thorough marketing plan that covered as many bases as possible. Coldstream does things on a team basis and we would put the talent on the table to pull out some activity on this property. We have talented people who are familiar with the area who will try to secure users and developers and work through the process doing our due diligence. We will also cooperate 50/50 with any other brokers and it will take three to four weeks to package and then launch the full marketing plan, understanding that some of these things will be ongoing.

Justin Bielagus explained that there were two reasons to go with Coldstream; experience and expertise. The firm has been on the marketing, buying and developing sides; and has represented the state, municipalities, non-profits who were sensitive to getting fair value of the land, and has developed real estate. We have the ability to look at all sides and have the in-depth expertise needed for this project. J. Bielagus mentioned that Coldstream was involved with the \$350M ecologically friendly power plant built along the Merrimack River.

- We have fourteen commercial brokers, two with law degrees, and three with CCIM memberships.
- Dan Scanlon will also be involved with this project and is an added resource with experience in TIF districts.
- We bring a team effort and are backed up by two full-time marketing researchers working on a local, regional, and national basis to find potential users.
- We have user, developer, and builder marketing programs.
- We have software programmers to do pre-development analyses.

- We have working relationships with many large building firms; Dacom, Harvey Construction, McMillian and North Branch Construction.

J. DeStefano added that they will provide maximum communication with the Board and staff with marketing efforts and feedback. J. Bielagus noted that there are usually confidentiality agreements involved, so the initial information may only be basic. J. McCormack brought up the Northeastern University Partnership program and said that there was value in both as Coldstream seems to provide a well structured approach, a mechanism for regional cooperation. J. Bielagus added that working in conjunction is a great resource and recounted when they worked with Yale and Cornell Schools of Industrial Ecology for a project in Londonderry. For research, universities can open doors that no one else can.

J. McCormack also noted, in respect to communication, that it would be important to have a lead contact and asked if Jacob would be doing so. J. DeStefano replied that Jacob would be the key communication link to this Board; he would be a regular at these meetings and would be available on a consistent basis. J. McCormack stated that the contacts for the town would most likely be Bill Parker and himself; however, any agreement would ultimately be with the Board of Selectmen and the recommendation would come from the TIF Board. J. DeStefano explained that this agreement was an initial presentation only and all is subject to tweaking here and there.

D. Roedel noted the industrial information in this packet and said that the vision of this group is to expand the uses for the area. If we gain DOT access to 101, would the best and highest use of the land still be industrial? J. DeStefano said from a tax base, retail and high density residential are the best uses. Office space or medical office facilities would bring in more tax revenue than retail. A step beyond the 55+ senior housing would be assisted care and independent living services, which provide pure tax base and are considered the highest use of the land. Investing in a senior care facility can bring in \$14M using only six (6) acres of land placing zero drain on the tax base because the average age is from 80 to 84. There aren't any children, only one car would be added to the traffic flow, and even emergency response would be significantly lower with on site services. The requirements for an elderly facility would be to provide services within a radius of 300ft from the center of the building. Optimally, it would be three to four stories high with 30,000 SF of space including kitchen and dining facilities; the facility would be compact, but by no means ugly. The New Hampshire population appears to be aging faster than most other states and elders want to be part of the community but they are not always mobile, so nutritious meals, socialization and activities without residents feeling like they're burdening friends and families actually extends their quality of life. J. DeStefano also brought up how other areas of the country facilitate development, and a discussion regarding family care facilities ensued. The new facilities currently going up in Bedford and Keene were referenced, as well as Barberton and the development along Hawthorne Dr in Bedford. J. McCormack added that the middle of Brox may not be the solution, but there is definitely a need for this type facility and noted that we just have to be careful as to how to present high density; the town voters want to maintain a rural character. J. DeStefano said that for less than \$1,000, a land use and analysis report could be done by TF Moran. It would take a look at the property and come up with development scenarios for the maximum use of the developable land, based on the geographics. Although this is industrial land, we shouldn't lose sight that a master plan, mixed use development could also work. B. Parker said that the idea of mixed use is slowly entering people's mindsets and another look at this would be very valuable. If done right, it might not be such a burden to the Town. J. DeStefano said they would keep our eyes open for all different opportunities, whether it be a Brookstone, retail or high density.

B. Parker also said in following up with Dave's comment that access is a huge issue, one that we have been working on with the NRPC and one that we will need to have some discussion on. B. Parker then read an email from Steve Williams regarding access.

I don't know how the access issue would play out. I can tell you that the State is in such terrible shape for funding transportation improvements that if you want that access to BROX that someone besides the state would have to pay. That could be the town, perhaps a developer, perhaps your TIF District, but there is no money from DOT for any improvements. We have been told that we shouldn't even accept proposals for new projects. We have been told that when the draft of the FY09-18 Ten Year Plan comes out in mid-July that is going to be a bloodbath with most current projects either significantly delayed or eliminated altogether. So you can ask if you want, but don't lead anybody to believe that the answer will be anything other than "no".

B. Parker then asked what if the Town were to initiate this ourselves, the reply was: If you wanted to proceed, I imagine you would need to fund an Alternatives Analysis out of town funds in some fashion. I am just guessing that study would cost in the range of \$65 to \$75,000. You would need to work out the access issues with DOT and FHWA. Interchanges don't come cheap-you are probably looking at \$8 to \$10 million for a relatively simple interchange if it includes all four ramps.

J. McCormack said that development is moving in our direction. G. Infanti added that the Select Boards from Milford and Amherst met last week and he came away with the feeling that it is time to mesh, not butt heads. Rte 101A is getting built out and development is moving westward into Milford and Wilton; we should not be scared of the costs associated developing this property. J. Bielagus said that Coldstream can calculate the payback of the costs. J. McCormack said from experience to date, this is a careful group and voters want the assurance that if we move forward, the developer would follow through on the commitment and the revenues will come.

A Hicks noted the *Actions to Complete* in section three of the proposal, saying that aside from the access issue, most of the items were small; however, the most difficult to complete would be the financing of the infrastructure. What are our chances of being successful without putting up a bond for the infrastructure? J. DeStefano said that we will have to sell an overall concept to the users and developers. If we don't have the infrastructure in place, we will need to present the information; show plans and time frame for the roads and the utilities to be stubbed. We would have to have a commitment from the Town to move forward with the criteria that is met at that time and that the developer is financially capable. A. Hicks then reiterated that we would either need the infrastructure in or give the Town's blessing in advance. J. DeStefano said that industry would be able to live with less direct access and visibility than any other use, so were we to come up with a plan, there are always alternatives and creative ways to go to the next step, for example, offering part of the land in exchange for doing the infrastructure. J. McCormack said that the Board has flushed out some of the feelings on these issues and the voters will need assurances. We will have to do our homework and proceed carefully. Focusing on the tax revenue will be beneficial.

J. Dannis said that it seems that to execute this project in the best possible way, there are many moving parts and all sorts of variables that will have to be worked out; the size of the pieces of land, the access to 101. The town wouldn't really be the best body to select the options, but the town would have the advantage to finance cheaply. How much does the town need to do to architect this whole project? J. DeStefano said at the very least, an analysis of the footprints will be critical. The moving points will be on us. The more information we can provide and present regarding the projected costs and the process for the developer, the better we can sell. J. Dannis then said that we need a single plan to market the property or a plan with few variables. Then if the plan is bitten by a serious taker, we would articulate it to the voters as to why it works. Do we need to have the voters' approval for the financing plan before a

specific plan can come back to us? J. Bielagus said as consulting work outside of brokering they could start with the ultimate plan and then back down from plan a, to plan b, and then to plan c; there would be a cost and time line associated with each plan and then the revenue to the town. The most important aspect is not the sale of the property, but the ongoing income stream that is created. M. Reeve stated it seems that the Selectmen have put value on the land instead of value on what could be; money for the land versus future revenue in taxes. J. McCormack said that was a good point, and the key difference in what we will see ten or twenty years from now.

J. McCormack asked if the town could maybe get Coldstream's help to narrow things down and determine our main game. J. Bielagus replied that the options could stay on the table. J. Dannis inquired as to the status of our existing contract. B. Parker replied that the existing contract with Brad Vear expired at the end of May, so we do need to act relatively soon. J. Dannis asked if the fees and scope had been negotiated. B. Parker explained that for the first proposal we went through a whole process although Brad Vear was the only proposal submitted. Do we want to do the same now? A. Hicks suggested that the fees could be negotiated after the proposal was submitted. J. Dannis asked if we should submit a recommendation to enter into negotiations or seek approval and then negotiate.

D. Roedel inquired if all those in the expanded TIF District and the abutters were contacted and asked what their reactions were. J. Akers said yes all the parcels in the ICI-2 and surrounding area were contacted and four or five are interested in moving their piece in the next four to five years. New England Steel has an agreement on the table; someone from Hollis is looking to sub-divide. There are also two parcels of 11 ac and 5 ac with some interest.

J. Akers said in closing, that as a resident of Milford, this would be a great opportunity for him and he looked forward to working with the Town. J. Akers then asked the Board to review the quarterly industrial trend report in the proposal; that could be used to help determine where Milford is going in comparison with the State.

3. REVIEW OF BROX MARKETING EFFORTS

J. McCormack noted that the current agreement ended on May 30th and asked do we make a recommendation to the Board of Selectmen or do we negotiate a final first draft. All were in consensus that we should go with these folks. B. Parker added that Coldstream has certainly made an effort and no one else has expressed any interest, not even Brad. J. Dannis asked if anyone else had been contacted. B. Parker replied no. G. Infanti said that he was approached a couple months back by a third party who highly recommended Jacob Akers as a young professional who could help the TIF District grow. A meeting was set up as Coldstream did not want to step on any colleague's toes. D. Roedel stated that Roedel Companies has worked with Coldstream twice. Coldstream has a good reputation and they do a lot with TF Moran. There are not many large outfits in New Hampshire and it is positive to have such a young local broker; the firm has knowledge and experience. J. McCormack asked about the range of options. D. Roedel noted that their fees should be negotiated and some of the details could be worked out between Dave and Bill through email. The Roedel Companies don't pay more than 6% commission on land and no marketing fees. As far as the agreement, the marketing fees were left blank, which should just be removed; we can supply any marketing information that we currently have. This Board would probably also want to see what their performance has been with Brox; the results, the contacts, as well as a list of those who toured the site, where they were from, who they represent and what their interest level was.

A. Hicks asked if there were any town policies pertaining to bids. J. Dannis suggested that we talk to Guy as there is a competitive bid policy in place. We should publish a notice to solicit bids and use that time to negotiate the terms of a final agreement; however, we should only bring this to the Select Board once; present our recommendation and the proposed contract. Coldstream made a serious presentation and maybe we could get them to do some work within this timeframe. D. Roedel asked if there was a

deadline and suggested that we contact Jacob Akers to let him know we are soliciting RFP's as part of our process. M. Trajano asked if we can get a conceptual plan in time for the brokerage agreement; what concept will they be marketing. J. Dannis asked if we had enough direction for the plan or do we need more help from them. If so we would want to put a specific consulting arrangement in this agreement. D. Roedel said we should pin down the scope and fees, and determine what is fair, up front. B. Parker noted that there was a lot of background information available.

4. ACCESS PLANNING

J. McCormack said that more and more we are realizing just how crucial access to this site is. B. Parker reiterated that access is crucial and stated that the Planning Board has made the 101 Bypass access one of its high priority items for the master plan. We will continue to explore that and maybe could put forward a request for a warrant article to do a study. B. Parker also mentioned that there is on-going discussion regarding a piece of the TIF District and there will be a meeting on June 27th. The Board then heard discussion on this potential development.

5. POSSIBLE EXPANSION OF TIF DISTRICT EXPANSION FOR 2008 WARRANT

No discussion.

6. UPDATE ON ECONOMIC DEVELOPMENT

B. Parker said that the DRED funding is moving forward to the executive council for approval at their first meeting in July; contact Deb Pignatelli. David Soul, the main contact at Northeastern has been out sick, but the first report is imminent. We just heard at an NRPC meeting last week that Pelham will be doing the study as well. They are similar in size to Milford so that should be interesting.

7. OTHER BUSINESS

The next meeting was scheduled for Thursday, July 12, 2007 at 7:30 AM.

The meeting was adjourned at 9:05 AM.

To do items:

- ⇒ Submit and publish RFP for marketing firm
- ⇒ Develop conceptual plan
- ⇒ Define agreement with Grubb & Ellis/Coldstream
- ⇒ Prepare recommendation for BOS
- ⇒ Update website
- ⇒ Brox industrial property
 - ⇒ Site presentation/clean up
 - ⇒ Revisit land prices
- ⇒ Economic Development partnership
 - ⇒ Survey results
 - ⇒ Invite Don Zizzi to July meeting
 - ⇒ Update on DRED funding

Continuing items:

- ⇒ Maintain an on-going progress file.
- ⇒ Meet with developers.
- ⇒ State support
 - ⇒ Ten year plan for access to the property
 - ⇒ Job creation within two-year periods
- ⇒ On-going contact with Land Quest.